Corporate Performance & ESG

A checklist for:

Choosing a new sales tax software wisely

Explore the role of implementation for a smooth software adoption

 Wolters Kluwer

Picking the right sales tax partner starts with asking the right questions.

Some examples: Can your software help manage the tax complexities specific to my industry? Can your platform integrate seamlessly with our ERP (enterprise resource planning) system? How is your customer support structured during and after implementation? And what steps do you recommend to ensure a successful integration?

That final question, though sometimes overlooked, is particularly important: It's amazing how the final few steps in any process can influence the ultimate outcome. Fairly or unfairly, after all, we draw a clear distinction between someone who climbs Mount Everest to the very top . . . and someone who comes up 100 feet short.

Implementation of new enterprise software is no different. Get it right to the very end, and you're golden; make a misstep among your final few steps, and you risk rolling into a rollout rut. If your team is evaluating what it'll take to successfully implement sales tax software across your organization, here's a simple checklist to help keep you on solid footing throughout the process.

Phase ONE: Managing the initial analysis

☐ Evaluate the best timing for integrating new sales tax software. An upgrade in your enterprise ERP software often provides ideal timing to introduce new tax and accounting tools, since they rely on (and subsequently leverage) common data.

Note: ERPs may support simple sales tax calculations, but many industries — including telecom, manufacturing, equipment or car rental, construction, energy, etc. — have tax requirements that are far too complex for an ERP to handle.

☐ Calculate your volume of customer exemptions. If you have thousands of tax-exempt sales, you may also find it fruitful to adopt an exemption certificate management (ECM) system to help track those exemptions.

☐ Plan with the end in mind and consider how you'll look to complete your sales tax compliance:

■ **Completing returns in-house**
This is the best option if your team is tech-savvy and is looking for complete control over SUT (sales and use tax) compliance.

■ **Using file and remit services**
Consider this hybrid solution if your team is looking to save time with full control over SUT compliance. Your team prepares returns using the technology and passes them to an outsourced partner for the file and remit activities.

■ **Outsourcing full SUT compliance process**
As its name suggests, this option comes into play when you enlist a partner to perform all return generation, validation, filing, and remittance. You should consider outsourcing SUT returns if your team is less tech-savvy or understaffed and is looking to save time.

☐ Begin a dialogue about testing with your IT team. (As we'll see in a moment, testing is a crucial final step, so it's never too early to start planning for it.)

Phase TWO: Requirements gathering

☐ Identify which members of your team should be involved in information-gathering workshops, recognizing that you'll be covering the nitty-gritty elements essential to effective tax compliance and management, including billing codes, nexus, tax situs, order and billing connectivity, credit memos/returns, etc.

☐ Invite your technical leads to collaborate with your vendor's technical consultants to discuss required customizations and configurations.

☐ Participate in information-gathering workshops, and ensure that you leave the room with a clear delineation of data gaps that need to be filled.

Phase THREE: Configuration and training

☐ Ensure you know where and how your organization is registered from a tax perspective.

☐ Identify the products and services you offer that are not considered completely taxable (such as installation and labor or freight and shipping) in each state.

☐ Collaborate with your tax software partner to map your products and services to the software's existing codes (and, where necessary, create custom codes for groups and/or individual items).

☐ Evaluate where you should apply overrides (i.e., what you don't want taxed, including, for example, shipping to certain international destinations).

☐ Generate your data exchange protocols — basically, the "if-then" rule sets that govern specific actions.

☐ Run connectivity tests to ensure that your base configuration successfully connects your ERP and your sales tax software.

Phase FOUR: Testing

☐ Generate a series of basic test scenarios in your new system (including variations of registration status, exemptions, credit memos, discounts, custom configurations, etc.) and run them against your actual results from the prior month's reports. That's the best way to ensure everything's operating as planned (i.e., smoothly, thoroughly, and error-free).

☐ Ensure that your test run samples include returns from all locations you do business.

☐ Remember to build in time for the "conversion-to-production" process (basically, the time required to move your new system from a test server to a production server) and additional post-implementation stability testing.

☐ After stability testing is complete, request a handoff call between your implementation team and customer support or managed services team (depending on what model you're using for generating returns).

It may be a little trite, but it's definitely true: The next step is always the most important one. When evaluating and introducing a new sales tax software, thinking through the steps involved in implementation — a sometimes underappreciated or too-readily dismissed point in the process — can't possibly be more important.
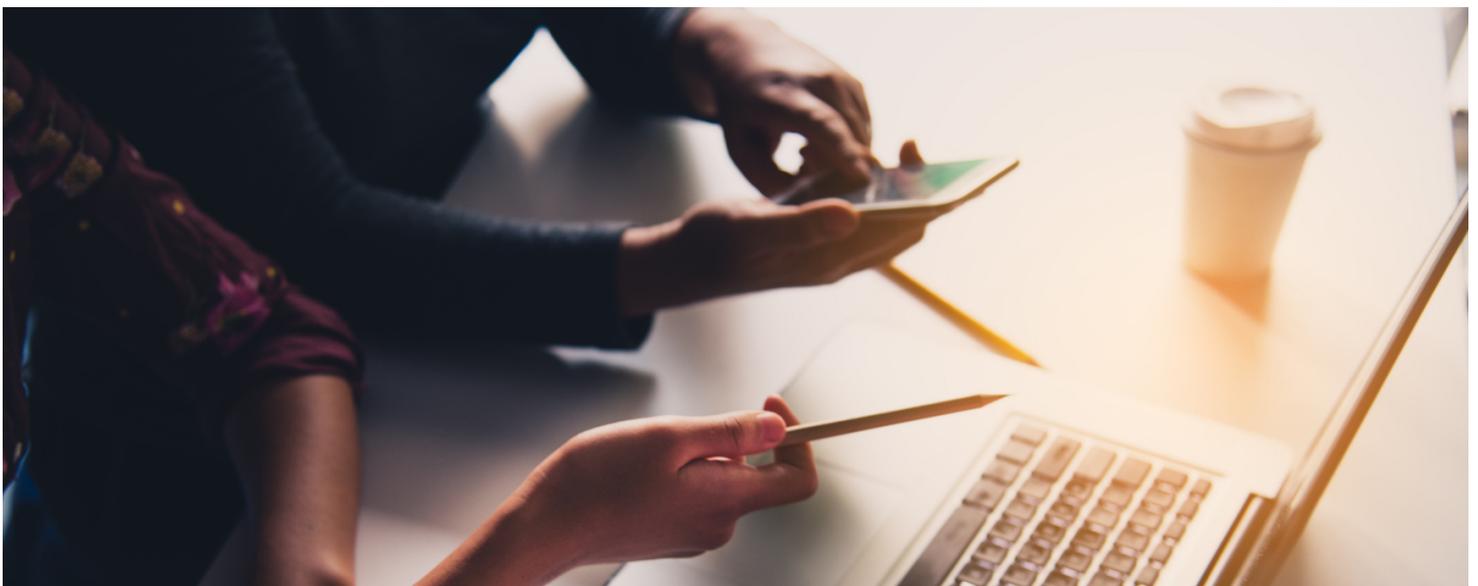
About CCH® SureTax®

Sales and use tax automation platform

CCH® SureTax® is a sales and use tax software platform designed to take the complexity out of taxability determination, calculations, and compliance by offering a simple, intuitive interface to manage sales and use taxes, all within one platform. Here are just a few of the reasons it has become a go-to resource for companies in retail and wholesale, manufacturing, telecom, construction, software, business services industries, and more:

1 Our tax research process is SOC (System and Organization Controls) 1 and SOC 2-compliant. Wolters Kluwer's experienced tax research team constantly monitors legislation changes and ensures the tax rates and rules in CCH SureTax are always up to date.

2 Easily monitor sales tax nexus thresholds, something that is becoming an ever-more-essential calculation in the omnichannel sales environment.

3 Simplify sales as use tax management from tax determination to compliance — all within one platform.

Automate sales tax
Lets you skip error-prone, time-consuming manual entry with end-to-end tools for sales tax management.

Automatically apply proper taxability to products
Enables you to properly categorize what you sell, including digital services, tax-exempt items, and more.

Manage compliance
Keeps your team current with critical information about state rates and sales tax holidays, just for starters.
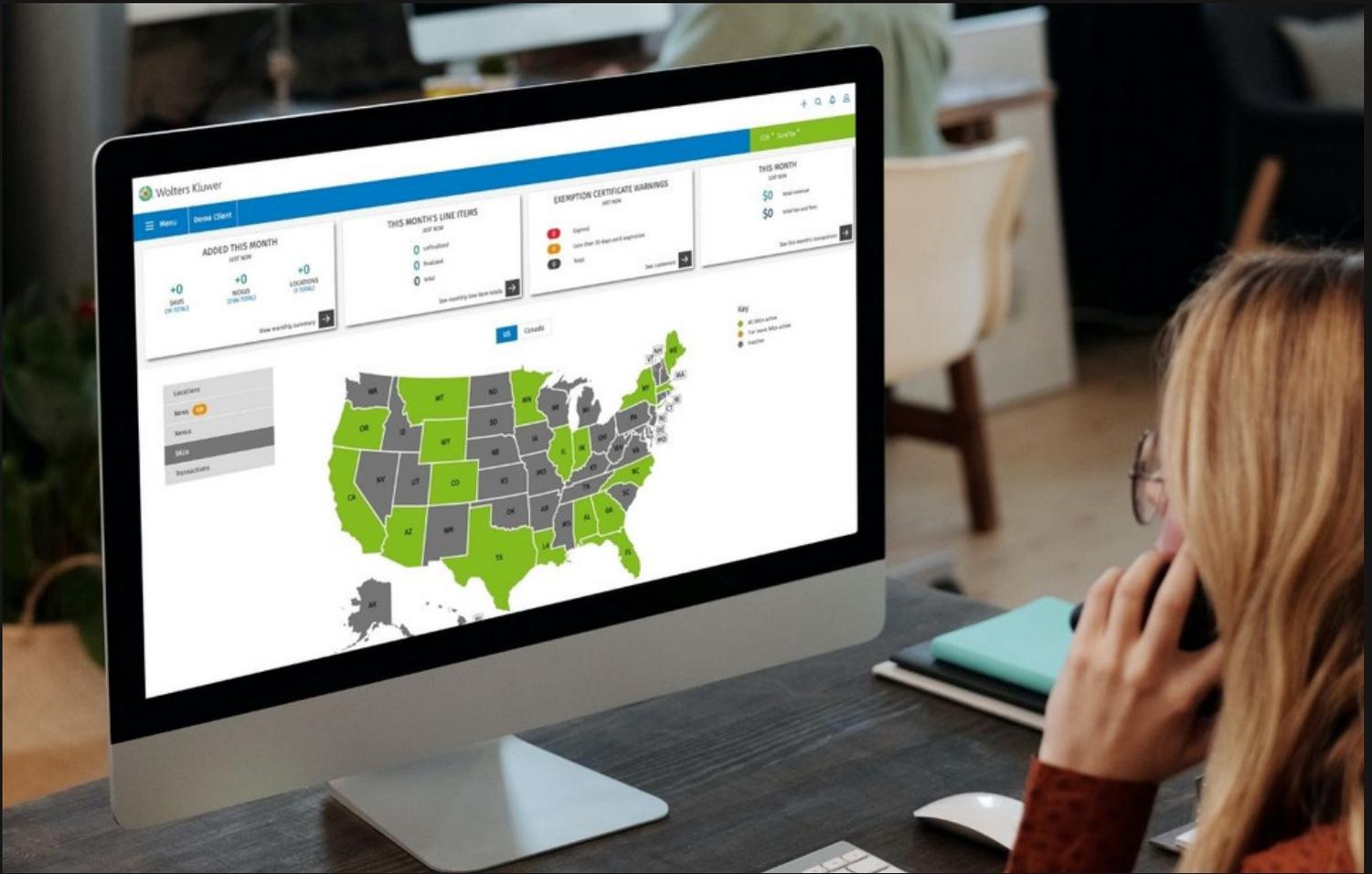
Effortlessly track exemption sales
Makes it easy to document non-taxed transactions and track proof of exemption certificates.

Capitalize on tax rebates
Helps you leverage opportunities for rebates for sales taxes paid on-time in full in states that offer this opportunity.

Contact information:
Wolters Kluwer 2700 Lake Cook
Road Riverwoods, IL 60015
United States
800-739-9998, Option 1

For more information, email us at CCH
CCH-SalesCorporateTeam@WoltersKluwer.com
Instantly book a demo

Visit our web page for
Sales and use tax software — CCH® SureTax®

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